



**King County**

# ASSESSMENTS

## GENERAL GOVERNMENT PROGRAM PLAN

### MISSION

The primary purpose of the Department of Assessments is to provide the services necessary for the maintenance and certification of a fair, equitable and uniform county assessment roll as mandated by Chapter 84 of the Revised Code of Washington (RCW). This concludes in levy rate determination and tax roll development, established annually for the purpose of administering the property tax system for all Real and Personal Property located within the geographic boundaries of King County.

### OVERVIEW

The Department of Assessments is an independently elected agency charged with administering the County's property evaluation and assessment process. This process forms the basis for funding a wide range of important public services from education to transportation to hospitals; what's more, it requires effective partnerships with 163 separate taxing districts. In concert with the King County Strategic Plan, the organization strives to provide these services in a way that is fair, equitable, uniform and understandable to the public.

The Department of Assessments provides seven broad sets of products to its customers: property values (residential and commercial), revalue notices, levy rates, exemptions (for things like flood damage or for seniors), tax appeals, public information, and mapping and recording. These products are in direct service of the King County Strategic Plan Financial Stewardship Strategy 2.f: "Assess county taxes through fair and equitable application of tax law." The organization's values also speak strongly to strategies such as Service Excellence Strategy 2.b: "Adopting new technologies and processes that allow county agencies to work more effectively and efficiently" and Service Excellence Strategy 3.a: "Engage in partnerships to solve problems, expand services, and inform decision-making." The Department of Assessments is comprised of five divisions:

- Administration;
- Accounting;
- Information Services;
- Residential; and,
- Commercial/Business

### 2012 KEY ISSUES

**Market Changes** - The Department of Assessments has been significantly impacted by recent economic upheaval. As a result of the volatility of the real estate market, the organization's work is changing. Assessments are getting more complicated as a result of foreclosures, short-sales, etc. and more people than ever are filing appeals. An important focus for 2012 will be adjusting and responding to these new demands.

## HOW WE DELIVER

**Shift to the Field** - The Department of Assessment is proposing a variety of strategies in 2012 to enable staff to spend more time in the field, thereby increasing productivity. Generally, the goal is to reduce brick-and-mortar space and use more fleet vehicles and mobility-enabling technology.

**Technology and Space Consolidation** - In furtherance of Financial Stewardship Strategy 1.d: "Pursue technologies that improve service while reducing the cost of delivery," the Departments of Assessments will focus on a variety of technological and other solutions to become more efficient. Two examples include the consolidation of space on the 7th and 8th floors of the King County Administration Building and the shift to an entirely paperless system for the Board of Equalization.

## EXECUTIVE PRIORITIES AS CONSIDERED IN 2012 BUSINESS PLANNING AND BUDGET DEVELOPMENT

The Executive's priorities, as expressed in the 2012 Proposed Budget, are to advance the Equity and Social Justice Initiative; ensure that goals objectives, and services are aligned with the King County Strategic Plan; and achieve efficiency savings of three percent while maintaining current service levels. The Department of Assessments' 2012 Proposed Budget supports these priorities in the following ways:

**Equity and Social Justice** - As an agency that touches a significant portion of King County residents, communication is central to the Department of Assessment's equity and social justice considerations. Key goals for 2012 include making sure property tax information is clear, first in English, and then ensuring clear and accurate translations into other key languages; automating more processes and information to more effectively reach rural residents; and continuing outreach to seniors and other residents with limited mobility.

**3 Percent Efficiency Goal** - The Department of Assessments efficiency efforts for 2012 include: vacating the 8th floor of the King County Administration Building; a re-engineered property valuation notice program that will be more efficient and less costly; and shifting mail processing to King County mail. Further, the organization has proposed several technology investments anticipated to yield savings in the long-term.

## 2012 PROPOSED BUDGET FOR ASSESSMENTS 0010/0670

Code/Item#	Description	Expenditures	FTEs *	TLTs
<b>Adopted Budget</b>				
AD01	2011 Adopted Budget	21,243,286	208.00	2.00
<b>Adjustments to Adopted Budget</b>				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(11,540)	0.00	(2.00)
<b>Direct Service Changes</b>				
DS01	2 Commercial Appraiser I Positions	111,348	2.00	0.00
DS02	Fleet Vehicle Additions	45,000	0.00	0.00
DS03	Mobile Device Replacement & Related Costs	194,000	0.00	0.00
DS04	Translation Services	25,000	0.00	0.00
DS05	King County Recorder's Office	10,500	0.00	0.00
		385,848	2.00	0.00
<b>Administrative Service Changes</b>				
AS01	Auto Allowance with Full Runzheimer	115,000	0.00	0.00
AS02	Litigation Support	25,000	0.00	0.00
		140,000	0.00	0.00
<b>Efficiency Reductions</b>				
ER01	Re-engineered Valuation Notice	(120,000)	0.00	0.00
ER03	Pitney Bowes Lease Cancellation	(9,168)	0.00	0.00
ER04	Updated Copier Plan	(6,248)	0.00	0.00
ER44	Agency Efficiency Credits for FMD O & M Charges	(122,834)	0.00	0.00
		(258,250)	0.00	0.00
<b>Technology Cost Savings</b>				
CS05	Online Board of Equalization Appeals	(10,000)	0.00	0.00
<b>Revenue Backed Changes</b>				
RB01	Personal Property Audit Team Pilot Program	139,944	2.00	0.00
<b>Central Rate Changes</b>				
CR01	Flexible Benefits	(132,288)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(36,736)	0.00	0.00
CR08	Technology Services Infrastructure Charge	5,544	0.00	0.00
CR09	Geographic Information Systems Charge	112,958	0.00	0.00
CR10	KCIT Operations Charge/Rebate	13,699	0.00	0.00
CR11	Telecommunications Services	(6,798)	0.00	0.00
CR12	Telecommunications Overhead	(4,803)	0.00	0.00
CR13	Motor Pool Rate Adjustment	4,564	0.00	0.00
CR14	Facilities Management Space Charge	(30,390)	0.00	0.00
CR25	Financial Service Charges	(27,331)	0.00	0.00
CR26	Retirement Rate Adjustment	31,832	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(21,992)	0.00	0.00
CR37	Facilities Management Strategic Initiative	502	0.00	0.00
CR48	Business Resource Center	59,527	0.00	0.00
		(31,712)	0.00	0.00

#### Technical Adjustments

TA01	Longevity Premium	41,900	0.00	0.00
TA02	Net-zero Changes to Align Accounts with Actual Expenditures	0	0.00	0.00
TA35	1.5 Percent Underexpenditure Adjustment	152	0.00	0.00
TA39	COLA Adjustment	139,298	0.00	0.00
		181,350	0.00	0.00
		21,778,926	212.00	0.00

\* FTEs do not include temporaries or overtime.

\*\* Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

\*\*\*See Council Changes narrative in the "2011 Adopted Council Changes" document.

## PROGRAM HIGHLIGHTS

The total 2012 Proposed Budget for the Department of Assessments is \$21,778,926, with funding for 212.00 FTEs. The 2012 Proposed Budget reflects a continued commitment to responsible resource management while supporting core functions, the King County Strategic Plan goals, and pursuing more efficient technologies on the part of the Assessor. In 2012, the department proposes a Personal Property Audit Team Pilot Program (PPAT) to contact, educate and audit taxpayers about Business Personal Property Tax. This program would help similar businesses to pay taxes consistently, in instances where one business may be currently adhering to law and paying personal property tax while a competing one may not, increasing fairness and equity in property tax collection. It also has the potential to recover unreported revenue.

## ADJUSTMENTS TO THE 2011 ADOPTED BUDGET

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor for \$200,202, and other select operating costs including removing two 2011 one-time TLT Commercial Appraisers (\$166,696) and a 2011 one-time investment in technology budget (\$36,737). All of the adjustments result in a net decrease of \$11,540 from the 2011 Adopted Budget.

## DIRECT SERVICE CHANGES

**2 Commercial Appraiser 1 Positions - \$111,348, 2.00 FTE.** This proposal adds nine months of salary and benefits for two FTEs for Commercial Appraiser I positions to the Commercial Appraisals unit. The department indicates that the on-going staff shortage in Commercial Appraisals is preventing the agency from defending commercial appeals as vigorously as possible to preserve revenue.

**Fleet Vehicle Additions - \$45,000.** This proposal supports additional fleet vehicle usage by the department to reduce auto-related expenses by providing appraisers with Fleet vehicles disbursed across the County. One-time funding of \$15,490 is for the cost of refitting returned vehicles to use and \$29,510 is for ongoing operation and maintenance.

**Mobile Device Replacement and Related Costs - \$194,000.** This proposal provides funding to replace the department's outmoded mobile devices and related service, training, cellular service, and application development. This is intended to work in conjunction with the increased employee mobility addressed by fleet vehicle additions to get staff more time in the field collecting assessments. One-time costs are \$154,000 while \$40,000 is anticipated as ongoing.

**Translation Services - \$25,000.** The department added translation to customer service functions in 2011 and would like to expand to include website and phone-tree translation as well as a multi-language outreach booth for community outreach. This change aligns with the Executive Priority of Equity and Social Justice and the King County Strategic Plan goal of Service Excellence.

**King County Recorder's Office Fees - \$10,500.** Effective January 1, 2012, the King County Recorder's Office will begin collecting the fees, as mandated by RCW, from all County offices for recording documents and/or processing Real Estate Excise Tax affidavits. This estimate is based on recording 150 documents at \$70 per document.

## HOW WE DELIVER

### ADMINISTRATIVE SERVICE CHANGES

**Auto Allowance with Full Runzheimer - \$115,000.** The 2011 budget contemplated replacing the Runzheimer Employee Auto Reimbursement Program with a blend of an alternative auto reimbursement plan and Fleet vehicle usage. However, ongoing negotiations with Teamster Local 763 have postponed the plan past 2012. This budget increase is necessary to meet contractual labor obligations under the Runzheimer program.

**Litigation Support - \$25,000.** This proposal provides budget to pay for expert testimony to better support commercial appeals cases and preserve revenues and provide a better appeals response.

### EFFICIENCY REDUCTIONS

**Re-engineered Valuation Notice - (\$120,000).** The agency reduced the size of annual valuation notices sent to all real property owners, resulting in lower postage expenses: \$120,000 less cost in 2012 and \$110,000 in 2011.

**Pitney Bowes Lease Cancellation - (\$9,168).** This proposal for a lease cancellation saves cost by shifting mail processing to King County mail, and is estimated to save \$4,584 in 2011.

**Updated Copier Plan - (\$6,248).** This savings proposal was found due to less copies and more efficient machines.

**Building Occupancy Efficiency Reduction - (\$122,834).** In 2011 Assessments, in collaboration with Facilities Management, consolidated space in the Administration Building. The agency's occupied square footage has decreased by 9,883 square feet, which equates to a reduction of \$122,834 in Facilities operations and maintenance charges. The remainder of the change is reflected in the FMD central rate change.

### TECHNOLOGY COST SAVINGS

**Online Board of Equalization Appeals - (\$10,000).** This proposal would move Board of Equalizations appeals filing online in 2011 and completing implementation in 2012, in order to improve services to taxpayers, streamline appeals processing, and find business process efficiencies.

### REVENUE-BACKED CHANGES

**Personal Property Audit Team Pilot Program - \$139,944, 2.00 FTE.** This proposal provides salary and benefits funding for two Auditor Appraiser 1 positions to support a Personal Property Audit Team (PPAT) Pilot Program. Revenue needed to break even for the PPAT is about \$180,000. While the program would be staffed by the Department of Assessments, revenue would be accounted for in the General Fund as part of Property Taxes.

## CENTRAL RATE CHANGES

**Central Rate Adjustments – (\$ 31,712).** This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a net decrease in charges, primarily driven by lower projected benefit rates. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

## TECHNICAL ADJUSTMENTS

**Longevity Premiums – \$41,900.** This adjusts for the longevity payment obligation per the 2011 Administrative Support Classifications Coalition Bargaining Unit agreement.

**Net-zero Changes to Align Accounts with Actual Expenditures – \$0.** Net-zero changes to align non-labor non-central rate budget accounts with actual expenditures in the department's budget.

**1.5 Percent Underexpenditure Adjustment – \$152.** In the 2012 proposed budget, the required underexpenditure rate for General Fund (GF) agencies is equal to 2 percent of expenditures that are not backed by specific contractual revenues. Of the required underexpenditure, 1.5 percent has been reduced from GF operating budgets to directly budget for assumed underexpenditure levels. A remaining central underexpenditure of one half of one percent is held in the GF Financial Plan, for a total assumption of 2 percent. Departments are expected to manage their appropriations to achieve the underexpenditure.

**COLA –\$139,298.** This adjustment provides funding for Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA) of 1.63 percent for Assessments' represented staff.